

AMENDED IN ASSEMBLY JUNE 20, 2005

AMENDED IN SENATE MAY 31, 2005

AMENDED IN SENATE APRIL 26, 2005

AMENDED IN SENATE APRIL 7, 2005

AMENDED IN SENATE MARCH 31, 2005

**SENATE BILL**

**No. 437**

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**Introduced by Senator Escutia**

**(Principal coauthors: Senators Alquist, Migden, and Perata)**

**(Coauthors: Senators *Chesbro*, *Ducheny*, *Figueroa*, *Kuehl*,  
*Romero*, and *Torlakson*)**

(Coauthors: Assembly Members *Dymally*, *Jones*, *Laird*, and *Pavley*)

February 17, 2005

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An act to amend Section 49557.2 of the Education Code, to amend Sections 123280 and 123290 of the Health and Safety Code, to amend Sections ~~12693.98~~ 12693.73, 12693.98, and 12693.981 of, to add Sections 12693.22, 12693.415, 12693.444, 12693.445, 12693.702, ~~12693.703~~, ~~12693.704~~, and ~~12693.983~~ 12693.983, and 12693.984 to, and to add Chapter 17 (commencing with Section 12693.99) to Part 6.2 of Division 2 of, the Insurance Code, and to amend Sections 14005.23, 14005.41, and 18925 of, and to add Sections 14005.43, 14005.71, and ~~14011.65~~ 14011.65, and 14013.5 to, the Welfare and Institutions Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

SB 437, as amended, Escutia. California Healthy Kids Insurance Program.

(1) Existing law establishes various public programs to provide health care coverage to eligible children, including the Medi-Cal

program administered by the State Department of Health Services and county welfare agencies, and the Healthy Families Program administered by the Managed Risk Medical Insurance Board. Children through 18 years of age are eligible for health care coverage under these programs if they meet certain household income and other requirements. Existing law authorizes information sharing with respect to children eligible for free school lunches in order to facilitate their enrollment in the health care programs.

This bill would create the California Healthy Kids Insurance Program, which would consist of the portion of the Medi-Cal program that provides health care coverage to children and the Healthy Families Program. The bill would require that the California Healthy Kids Insurance Program be operated *as a joint partnership* by the State Department of Health Services and the Managed Risk Medical Insurance Board in a streamlined manner, with eligible children to be enrolled in one program or the other, as appropriate. The bill would accelerate the process for making eligibility determinations for the California Healthy Kids Insurance Program by authorizing the administering agencies to rely on *income* eligibility determinations made by other public assistance programs, including reduced price school lunch programs, the California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), and the Food Stamp Program. The bill would authorize applicants for the California Healthy Kids Insurance Program to self-certify their family income and other eligibility factors, and would provide for the administering agency to request documentation and verify information only to the extent necessary to determine eligibility and as required by federal law. The bill would expand eligibility for the Healthy Families Program and the Healthy Families Program element of the California Healthy Kids Insurance Program by allowing children with family incomes up to 300% of the federal poverty level to qualify and by otherwise liberalizing enrollment requirements. *The bill would enact certain privacy and confidentiality provisions relative to Healthy Families Program applicants and enrollees.* The bill would create the California Healthy Kids Expert Panel to advise the administering agencies on various matters. The bill would require the administering agencies to award local enrollment investment grants from available funds to local and regional children's health initiative activities designed to increase and retain the enrollment of children in health care coverage. The bill would require the Secretary of the Health and

Human Services Agency to coordinate local children's health insurance programs with certain state and federally funded programs. The bill would make various related modifications to the Medi-Cal and Healthy Families programs. The bill would enact related provisions and state the intent of the Legislature to enact relative to certain other provisions. Because the modifications to the Medi-Cal program would impose certain duties on counties relative to administration of that program, the bill would impose a state-mandated local program.

(2) Existing law creates the Healthy Families Fund, and provides that money in the fund is continuously appropriated for purposes of the Healthy Families Program.

This bill would provide that the Managed Risk Medical Insurance Board may implement this act, including the expansion of the Healthy Families Program, only to the extent that funds are appropriated for the purposes of the act in the annual Budget Act or in another statute.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) Health insurance is a critical investment in the health of
- 4 California's children, since:
- 5 (1) Children with health insurance are more likely to get the
- 6 care they need, especially essential preventive care that can
- 7 prevent avoidable conditions and expensive emergency room
- 8 visits.
- 9 (2) Children with health insurance are healthier and perform
- 10 better in school. California's investment in children's health
- 11 insurance has paid off. For example, children enrolled in the

1 Healthy Families Program have shown a 25-percent  
2 improvement in health and 68-percent improvement in their  
3 ability to “pay attention” and to “keep up with school activities.”

4 (b) California’s investment in state health insurance for  
5 children has significantly reduced the number of children who  
6 have no health insurance.

7 (c) With about 800,000 uninsured children in California, the  
8 goal of extending coverage to all children in the state is within  
9 reach, especially since a majority (55 percent) of them already  
10 qualify for state health insurance through Medi-Cal or the  
11 Healthy Families Program.

12 (d) California can no longer afford to waste precious resources  
13 by dropping children from coverage unnecessarily due to  
14 bureaucratic red tape, only to reenroll them at a later date. If this  
15 phenomenon of children losing coverage temporarily were  
16 addressed, the number of uninsured low-income children  
17 nationally would be reduced by 40 percent.

18 (e) Appropriate technology solutions can help improve  
19 program administration and efficiency while reducing barriers to  
20 coverage for children, making it easier for children to get and  
21 keep the health coverage they need.

22 (f) With existing enrollment successes like local Children’s  
23 Health Initiatives innovations, express lane eligibility through  
24 school lunch programs and ~~Senate Bill 24’s existing newborn~~  
25 ~~pathway at hospitals~~ *the Deemed Eligible Infants and Newborn*  
26 *Hospital Gateways*, any reforms designed to reach all children  
27 must build and improve upon the Medi-Cal and Healthy Families  
28 programs, local enrollment and retention innovations and  
29 available technologies to enroll more children.

30 (g) Across the state, over 27 local coalitions of local health  
31 plans, community leaders, health providers, businesses, unions,  
32 county agencies, First 5 Commissions, faith leaders, schools and  
33 others are at work to expand access to health insurance for  
34 children, resulting in exceptional models for what is needed  
35 statewide.

36 (h) California voters overwhelmingly support a plan that  
37 would ensure that every child in California has health insurance.  
38 This support is solid throughout the state and across partisan  
39 lines, even when voters understand the financial cost required to  
40 cover all children.

1 (i) The Legislature aims to ensure this simple goal on behalf of  
2 California's children:

3 Every child in California can get health insurance to grow up  
4 healthy and strong.

5 SEC. 2. Section 49557.2 of the Education Code is amended to  
6 read:

7 49557.2. (a) (1) At the option of the school district or county  
8 superintendent, and to the extent necessary to implement Section  
9 14005.41 of the Welfare and Institutions Code, the following  
10 information may be incorporated into the School Lunch Program  
11 application packet or notification of eligibility for the School  
12 Lunch Program using simple and culturally appropriate language:

13 (A) A notification that if a child qualifies for free school  
14 lunches, then the child may qualify for free or reduced-cost  
15 health coverage.

16 (B) A request for the applicant's consent for the child to  
17 participate in the Medi-Cal program, if eligible for free school  
18 lunches, and to have the information on the school lunch  
19 application shared with the entity designated by the State  
20 Department of Health Services to make an accelerated  
21 determination and the local agency that determines eligibility  
22 under the Medi-Cal program.

23 (C) A notification that the school district will not forward the  
24 school lunch application to the entity designated by the State  
25 Department of Health Services to make an accelerated  
26 determination and the local agency that determines eligibility  
27 under the Medi-Cal program, without the consent of the child's  
28 parent or guardian.

29 (D) A notification that the school lunch application is  
30 confidential and, with the exception of forwarding the  
31 information for use in health program enrollment upon the  
32 consent of the child's parent or guardian, the school district will  
33 not share the information with any other governmental agency,  
34 including the federal Department of Homeland Security and the  
35 Social Security Administration.

36 (E) A notification that the school lunch application  
37 information will only be used by the entity designated by the  
38 State Department of Health Services to make an accelerated  
39 determination and the state and local agencies that administer the  
40 Medi-Cal program for purposes directly related to the

1 administration of the program and will not be shared with other  
2 government agencies, including the federal Department of  
3 Homeland Security and the Social Security Administration for  
4 any purpose other than the administration of the Medi-Cal  
5 program.

6 (F) Information regarding the Medi-Cal program, including  
7 available services, program requirements, rights and  
8 responsibilities, and privacy and confidentiality requirements.

9 (2) The State Department of Education, in consultation with  
10 school districts, county superintendents of schools, consumer  
11 advocates, counties, the State Department of Health Services, and  
12 other stakeholders, shall make recommendations regarding the  
13 School Lunch Program application, on or before February 1,  
14 2003. The recommendations shall include specific changes to the  
15 School Lunch Program application materials as necessary to  
16 implement Section 14005.41 of the Welfare and Institutions  
17 Code, information for staff as to how to implement the changes,  
18 and a description of the process by which information on the  
19 School Lunch Program application will be shared with the  
20 county, as the local agency that determines eligibility under the  
21 Medi-Cal program.

22 (3) At the option of the school, the request for consent in  
23 subparagraph (B) of paragraph (1) may be modified so that the  
24 parent or guardian can also consent to allowing Medi-Cal to  
25 inform the school as provided in subdivision (n) of Section  
26 14005.41 of the Welfare and Institutions Code when followup is  
27 needed in order to complete the Medi-Cal application process.

28 (b) (1) School districts and county superintendents of schools  
29 may implement a process to share information provided on the  
30 School Lunch Program application with the entity designated by  
31 the State Department of Health Services to make an accelerated  
32 determination and with the local agency that determines  
33 eligibility under the Medi-Cal program, and shall share this  
34 information with those entities, if the applicant consents to that  
35 sharing of information. Schools may designate, only as necessary  
36 to implement this section, non-food service staff to assist in the  
37 administration of free, reduced price, or paid school lunch  
38 applications that have applicant consent, but only if that  
39 designation does not displace or have an adverse effect on food  
40 service staff. This information may be shared electronically,

1 physically, or through whatever method is determined  
2 appropriate.

3 (2) If a school is aware that a child, who has been found  
4 eligible for free school lunches under the National School Lunch  
5 Program, and for whom the parent or guardian has consented to  
6 share the information provided on the application, already has an  
7 active Medi-Cal or Healthy Families Program case, the  
8 application shall not be processed for an accelerated  
9 determination but shall be forwarded to the local agency that  
10 determines eligibility under the Medi-Cal program pursuant to  
11 Section 14005.41 of the Welfare and Institutions Code. The  
12 school shall notify the parent or guardian of the child's  
13 ineligibility for accelerated Medi-Cal due to the current  
14 eligibility status and that the child's application will be  
15 forwarded to the county pursuant to this section. The notice shall  
16 include a statement, with contact information, advising the parent  
17 or guardian to contact the Medi-Cal or Healthy Families  
18 programs regarding the child's eligibility status.

19 (3) Each school district or county superintendent that chooses  
20 to share information pursuant to this subdivision shall enter into  
21 a memorandum of understanding with the local agency that  
22 determines eligibility under the Medi-Cal program, that sets forth  
23 the roles and responsibilities of each agency and the process to be  
24 used in sharing the information.

25 (4) The local agency that determines eligibility under the  
26 Medi-Cal program shall only use information provided by  
27 applicants on the school lunch application for purposes directly  
28 related to the administration of the Medi-Cal program.

29 (5) After school districts share information regarding the  
30 school lunch application with the entity designated by the State  
31 Department of Health Services to make an accelerated  
32 determination and the local agency that determines eligibility  
33 under the Medi-Cal program, for the purpose of determining  
34 Medi-Cal program eligibility, the local agency and the school  
35 district shall not share information about school lunch  
36 participation or the Medi-Cal program eligibility information  
37 with each other except as specifically authorized under  
38 subdivision (n) of Section 14005.41 of the Welfare and  
39 Institutions Code and other provisions of law.

1 (c) Effective July 1, 2005, the notifications and consent  
2 referenced in subdivision (a) and the procedures set out in  
3 subdivision (b) shall include the Healthy Families Program and  
4 any relevant county- and local-sponsored health insurance  
5 programs as necessary to implement Section 14005.41 of the  
6 Welfare and Institutions Code.

7 (d) If a school district finds that the child is eligible for  
8 reduced price or paid meals under the National School Lunch  
9 Program and consent was provided as described in subdivision  
10 (b), the entity designated by the State Department of Health  
11 Services to make an accelerated determination shall notify the  
12 parent or guardian of the child's ineligibility for an accelerated  
13 Medi-Cal determination pursuant to Section 14005.41 of the  
14 Welfare and Institutions Code. The notification shall include  
15 information on other available health programs for which the  
16 child may be eligible.

17 (e) The notifications and consent referenced in subdivision (a)  
18 and the procedures set out in this section shall be modified as  
19 necessary *by the department, in consultation with the State*  
20 *Department of Health Services, school districts, and*  
21 *stakeholders, by February 1, 2007*, to implement subdivisions (o)  
22 and (p) of Section 14005.41 of the Welfare and Institutions Code  
23 to allow children who meet the income eligibility requirements  
24 for participation in either the free or reduced price meal program  
25 to be processed for both an accelerated determination and  
26 ongoing medical assistance upon the consent and authorization of  
27 their parent or guardian.

28 SEC. 2.5. Section 123280 of the Health and Safety Code is  
29 amended to read:

30 123280. (a) The department may conduct a statewide  
31 program for providing nutritional food supplements to  
32 low-income pregnant women, low-income postpartum and  
33 lactating women, and low-income infants and children under five  
34 years of age, who have been determined to be at nutritional risk  
35 by a health professional, based on criteria established by the  
36 department. Any program established pursuant to this section  
37 shall do all of the following:

38 (1) Comply with all the requirements of this article.

39 (2) Be conducted only if a special project is authorized by  
40 inclusion in the Budget Act or notification is provided to the



1 Legislature pursuant to Section 28 of the Budget Act, and federal  
2 funds are appropriated therefor.

3 (3) Be known as the California Special Supplemental Nutrition  
4 Program for Women, Infants, and Children.

5 (b) The department shall administer this article and shall adopt  
6 minimum standards and regulations as necessary.

7 SEC. 3. Section 123290 of the Health and Safety Code is  
8 amended to read:

9 123290. The department, under any program established  
10 pursuant to this article, shall do all of the following:

11 (a) Establish guidelines to determine resource allocation  
12 giving consideration to an area's nutritional need.

13 (b) Designate the counties within which a program will be  
14 conducted, with the approval of those counties.

15 (c) Establish the minimum nutritional requirements for  
16 recipients.

17 (d) Designate specific supplemental foods to meet the  
18 minimum nutritional requirements for recipients.

19 (e) Develop and maintain a system for the delivery of  
20 supplemental foods to recipients through the distribution of  
21 supplemental foods designated in subdivision (d) and nutrition  
22 coupons when other methods of delivery are impractical.

23 (f) (1) Develop and coordinate a smoking cessation  
24 component of program operations, with consideration of local  
25 agency plans, needs, and available tobacco education resources.

26 (2) In consultation with the directors of local agencies and  
27 with other individuals with expertise in the field of smoking  
28 cessation, identify and promulgate a strategy for smoking  
29 cessation in the state plan of operation and administration of the  
30 WIC program, including, but not limited to, all of the following:

31 (A) Designating an agency staff member to coordinate  
32 smoking cessation efforts.

33 (B) Providing training on smoking cessation and tobacco  
34 education to designated staff members of local agencies who are  
35 responsible for counseling participants in the program.

36 (3) Develop and implement procedures to ensure that tobacco  
37 use screening and education, including, but not limited to,  
38 smoking cessation counseling and referrals where appropriate,  
39 are offered to all participants.

(g) (1) Establish guidelines and criteria to be used by participating local agencies, when determining recipient eligibility, that require, in addition to a recipient being a low-income pregnant woman, or a low-income postpartum and lactating woman, or a low-income infant or child under five years of age, that the recipient be at nutritional risk.

(2) A health professional on the staff of the local agency shall determine if a person is at nutritional risk through a medical or nutritional assessment. This determination may be based on referral data submitted by a health professional not on the staff of the local agency. The person's height or length and weight shall be measured, and a hematological test for anemia, such as a hemoglobin or hematocrit test, shall be performed. However, the tests shall not be required for infants under six months of age. In addition, the blood test shall not be required for children who were determined to be within the normal range at their last program certification. However, the blood test shall be performed on the children at least once a year. A breastfeeding woman may be certified if the child she is breastfeeding is determined to be at nutritional risk and the woman meets the income eligibility criteria.

(h) Operate the program as an adjunct to existing health services, which shall include, but shall not be limited to, all of the following:

~~(1) Assisting in efforts to develop~~ *Develop, in consultation with local agencies,* an electronic application system that utilizes the real-time electronic connection to the state eligibility database developed pursuant to subdivision (b) of Section 14011.7 of the Welfare and Institutions Code to allow children to ~~apply~~, with consent, ~~for to request~~ an accelerated determination for the California Healthy Kids Program and *apply for* ongoing medical assistance, pursuant to Section 14005.43 of the Welfare and Institutions Code, utilizing information provided for application to the California WIC program.

~~(2) Establishing guidelines for information sharing under this subdivision that protect confidentiality and ensure that information is shared solely for purposes of outreach and enrollment.~~

~~(3) Encouraging~~

1     (2) *Protect and safeguard the privacy and confidentiality of*  
2 *applicants and of enrollees. Information and documentation*  
3 *about an applicant or enrollee shall not be used, shared, or*  
4 *disclosed except to determine eligibility for the California*  
5 *Healthy Kids Program or for activities connected to California*  
6 *Healthy Kids Insurance Program administration, including*  
7 *outreach and follow-up. Disclosure of, or access to, information*  
8 *concerning California Healthy Kids Insurance Program*  
9 *applicants or enrollees shall be restricted to persons or agency*  
10 *representatives who are subject to standards of privacy and*  
11 *confidentiality that are no less protective than those required by*  
12 *Section 12693.984 of the Insurance Code.*

13     (3) *Encourage* local agencies to participate in and utilize the  
14 electronic application system.

15     (i) Seek federal funds to carry out this article.

16     SEC. 4. Section 12693.22 is added to the Insurance Code, to  
17 read:

18     12693.22. Notwithstanding any other provision of law, the  
19 board ~~may~~ *shall* implement changes to the program enacted  
20 pursuant to *sections of the act that added this section during the*  
21 *2005-06 Regular Session of the Legislature and require*  
22 *expenditure of state funds only to the extent that funds are*  
23 *appropriated for the purposes of that act in the annual Budget Act*  
24 *or in another statute. To the extent that funds are appropriated*  
25 *for only a portion of the changes enacted pursuant to that act, the*  
26 *board shall implement those changes for which funds are*  
27 *appropriated.*

28     SEC. 5. Section 12693.415 is added to the Insurance Code, to  
29 read:

30     12693.415. (a) The board shall consult and coordinate with  
31 the State Department of Health Services, the California Healthy  
32 Kids Expert Panel, and other stakeholders, in implementing an  
33 electronic application system that utilizes the real-time electronic  
34 connection to the state eligibility database developed pursuant to  
35 subdivision (b) of Section 14011.7 of the Welfare and  
36 Institutions Code and adopted pursuant to Section 14005.43 of  
37 the Welfare and Institutions Code. The board shall accept the  
38 electronic application provided for in Section 14005.43 of the  
39 Welfare and Institutions Code as an application for the California  
40 Healthy Kids Program. The accelerated determination shall be

1 administered by the State Department of Health Services to  
2 provide full-scope benefits pursuant to Medi-Cal program  
3 requirements, at no cost to the applicant.

4 ~~(b) This section shall become operative on \_\_\_\_.~~

5 ~~(e)~~

6 (b) If the board determines that one or more amendments to  
7 the State Child Health Plan are necessary to ensure ~~full~~ federal  
8 financial participation in the provisions of this section, the board  
9 shall prepare and submit *necessary* requests for the plan  
10 amendments to the federal government.

11 *(c) This section shall become operative on July 1, 2007.*

12 SEC. 6. Section 12693.444 is added to the Insurance Code, to  
13 read:

14 12693.444. The board shall establish an additional tier for the  
15 family contribution amount required for children with family  
16 incomes between 250 and 300 percent of the federal poverty  
17 level.

18 SEC. 7. Section 12693.445 is added to the Insurance Code, to  
19 read:

20 12693.445. (a) An eligible child may be enrolled in the  
21 program prior to payment of the required family contribution.  
22 The board shall send a statement for the amount due after  
23 enrollment.

24 (b) Families shall have the option to pay for one year of  
25 Healthy Families premiums in advance in order to receive a  
26 discount of 25 percent for the total year premium amount.

27 (c) The board shall expand and extend the number of premium  
28 payment sites and shall consult with the California Healthy Kids  
29 Expert Panel and local children's health initiatives and other  
30 stakeholders on suggested additional payment site locations.

31 SEC. 8. Section 12693.702 is added to the Insurance Code, to  
32 read:

33 12693.702. (a) Notwithstanding any other provision of law  
34 *and irrespective of the differences in financial eligibility*  
35 *standards and methodologies*, upon proof of current enrollment  
36 ~~in the California Special Supplemental Nutrition Program for~~  
37 ~~Women, Infants, and Children (WIC) as provided for in Article 2~~  
38 ~~(commencing with Section 123275) of Chapter 1 of Part 2 of~~  
39 ~~Division 106 of the Health and Safety Code, the National School~~  
40 ~~Lunch Program (NSLP) as provided for pursuant to Chapter 13~~

(commencing with Section 1751) of Title 42 of the United States Code, the Food Stamp Program as provided for pursuant to Chapter 51 (commencing with Section 2011) of Title 7 of the United States Code, or any other children's programs that may be added in the future, as appropriate, at the recommendation of the California Healthy Kids Expert Panel and other stakeholders, the board any of the programs listed in paragraphs (1) to (3), inclusive, the board and the department shall use an income eligibility determination made by the appropriate program agency to establish that the applicant child meets the income guidelines of the program and, irrespective of differences in financial eligibility standards and methodologies, shall rely on the poverty level finding of the other program agency. Nothing in this subdivision or in Chapter 17 (commencing with Section 12693.99) shall be construed to authorize denial of medical assistance to a child who, without the application of this subdivision or Chapter 17 (commencing with Section 12693.99), would qualify for such assistance or to relieve the program of the obligation to determine eligibility on any other grounds for a child found to be ineligible under this subdivision or Chapter 17 (commencing with Section 12693.99).

(b) The board shall seek approval of any amendments to the state plan necessary to implement this section, for purposes of funding under Title XXI of the Social Security Act (42 U.S.C. Sec. 1397aa et seq.). Notwithstanding any other law, this section shall be implemented only to the extent that federal financial participation is available and to the extent that federal financial participation supports coordination across the California Healthy Kids Insurance Program established pursuant to Chapter 17 (commencing with Section 12693.99). *listed programs to determine the child's income eligibility for the California Healthy Kids Insurance Program and to establish the child's percent of the federal poverty level:*

(1) *The California Special Supplemental Nutrition Program for Women, Infants, and Children as provided for in Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the Health and Safety Code.*

(2) *The National School Lunch Program (NSLP) as provided for pursuant to Chapter 13 (commencing with Section 1751) of Title 42 of the United States Code.*

1     (3) *The Food Stamp Program as provided for pursuant to*  
2 *Chapter 51 (commencing with Section 2011) of Title 7 of the*  
3 *United States Code.*

4     (b) *The board and the department shall accept the children's*  
5 *program's documentation as reliable for purposes of satisfying*  
6 *any documentation requirements for the California Healthy Kids*  
7 *Insurance Program and, if the eligibility determination pursuant*  
8 *to this section does not establish eligibility for the California*  
9 *Healthy Kids Insurance Program, for purposes of determining*  
10 *eligibility for medical assistance on all other available grounds.*

11     (c) *The board and the department shall apply this section to*  
12 *income eligibility determinations and documentation from any*  
13 *other children's programs that may be added in the future to the*  
14 *list set forth in subdivision (a).*

15     (d) *Nothing in this section shall be construed to authorize*  
16 *denial of benefits through the California Healthy Kids Insurance*  
17 *Program or other program to a child who, without the*  
18 *application of this section, would qualify for those benefits or to*  
19 *relieve the program of the obligation to determine eligibility on*  
20 *other grounds.*

21     SEC. 9. ~~Section 12693.703 is added to the Insurance Code, to~~  
22 ~~read:~~

23     ~~12693.703. It is the intent of the Legislature to enact~~  
24 ~~legislation to provide affordable options for purchase of health~~  
25 ~~care coverage to uninsured children with family incomes in~~  
26 ~~excess of 300 percent of the federal poverty level. These options~~  
27 ~~would include the opportunity to purchase coverage from the~~  
28 ~~commercial health insurance options available in their area, and~~  
29 ~~from the Healthy Families plans available pursuant to this part,~~  
30 ~~except that the Healthy Families plans would be available for~~  
31 ~~purchase at full premium cost.~~

32     SEC. 10. ~~Section 12693.704 is added to the Insurance Code,~~  
33 ~~to read:~~

34     ~~12693.704. Notwithstanding paragraphs (4) and (6) of~~  
35 ~~subdivision (a) of Section 12693.70, a child shall be an eligible~~  
36 ~~child for purposes of Section 12693.70 if he or she meets the~~  
37 ~~other requirements of Section 12693.70 and is in a family with an~~  
38 ~~annual or monthly household income equal to or less than 300~~  
39 ~~percent of the federal poverty level.~~

SEC. 9. *It is the intent of the Legislature to provide affordable options for purchase of health care coverage to uninsured children with family incomes in excess of 300 percent of the federal poverty level. These options would include the opportunity to purchase coverage from the commercial health insurance options available in their area, and from the Healthy Families plans, and the Healthy Families plans would be available for purchase at full premium cost.*

SEC. 10. *Section 12693.73 of the Insurance Code is amended to read:*

12693.73. Notwithstanding any other provision of law, children excluded from coverage under Title XXI of the Social Security Act are not eligible for coverage under the program, except as specified in clause (ii) of subparagraph (A) of paragraph (6) of subdivision (a) of Section 12693.70 ~~and~~, Section 12693.76, *and Section 12693.9913.*

SEC. 10.5. Section 12693.98 of the Insurance Code is amended to read:

12693.98. (a) (1) The Medi-Cal-to-Healthy Families Seamless Bridge Benefits Program is hereby established to provide any child who meets the criteria set forth in subdivision (b) with continuing health care benefits ~~in order to provide time for until the board has made a Healthy Families Program eligibility determination to be made.~~

(2) The Medi-Cal-to-Healthy Families Seamless Bridge Benefits Program shall be administered by the board.

(b) (1) Any child who meets all of the following requirements shall be eligible for health benefits under the ~~Healthy Families~~ *Medi-Cal-to-Healthy Families Seamless Bridge Benefits* Program:

(A) He or she has been receiving, but is no longer eligible for, full-scope Medi-Cal benefits without a share of cost.

(B) He or she is eligible for full-scope Medi-Cal benefits with a share of cost.

(C) He or she is under 19 years of age at the time he or she is no longer eligible for full-scope Medi-Cal benefits without a share of cost.

(D) He or she has family income at or below 300 percent of the federal poverty level.

(E) He or she is not otherwise excluded under the definition of targeted low-income child under subsections (b)(1)(B)(ii), (b)(1)(C), and (b)(2) of Section 2110 of the Social Security Act (42 U.S.C. Secs. 1397jj(b)(1)(B)(ii), 1397jj(b)(1)(C), and 1397jj(b)(2)).

(2) The benefits under this chapter shall begin on the first day of the month following the last day of the receipt of benefits without a share of cost *and shall continue until the board has made an eligibility determination for Healthy Families benefits, at which point the board shall either enroll the child in Healthy Families benefits with no interruption in coverage to the child, or the child's Seamless Bridge benefits shall be terminated in accordance with the Seamless Bridge benefits due process requirements.*

(c) The income methodology for determining a child's family income, as required by paragraph (1) of subdivision (b) shall be the same methodology used in determining a child's eligibility for the full scope of Medi-Cal benefits.

(d) The scope of Healthy Families benefits provided under this chapter shall be identical to the scope of benefits that the child was receiving under the Medi-Cal program without a share of cost.

(e) The Healthy Families benefits provided under this chapter shall only be made available through a Medi-Cal provider or under a Medi-Cal managed care arrangement or contract.

(f) This section shall become inoperative if an unappealable court decision or judgment determines that either of the following apply:

(1) The provisions of this section are unconstitutional under the United States Constitution or the California Constitution.

(2) The provisions of this section do not comply with the State Children's Health Insurance Program, as set forth in Title XXI of the Social Security Act.

(g) If the State Child Health Insurance Program waiver described in Section 12693.755 is approved, and at the time the waiver is implemented, the benefits described in this section shall also be available to persons who meet the eligibility requirements of the program and are parents of, or, as defined by the board, adults responsible for, children enrolled to receive coverage



1 under this part or enrolled to receive full-scope Medi-Cal  
2 services with no share of cost.

3 *(h) Effective July 1, 2006, the department, the counties, and*  
4 *the board may transfer a family's case file and other eligibility*  
5 *information, solely for the purposes of transferring a child's*  
6 *eligibility between Medi-Cal and Healthy Families, without*  
7 *seeking the family's consent.*

8 SEC. 11. Section 12693.981 of the Insurance Code is  
9 amended to read:

10 12693.981. (a) (1) The Healthy Families-to-Medi-Cal  
11 Seamless Bridge Benefits Program is hereby established to  
12 provide any person enrolled for coverage under this part who  
13 meets the criteria set forth in subdivision (b) with continuing  
14 health care benefits ~~in order to provide time for~~ until a Medi-Cal  
15 eligibility determination ~~to be~~ has been made.

16 (2) The Healthy Families-to-Medi-Cal Seamless Bridge  
17 Benefits Program shall be administered by the board.

18 (b) (1) Any person who meets all of the following  
19 requirements shall be eligible for ~~Medi-Cal~~ Healthy  
20 Families-to-Medi-Cal Seamless Bridge benefits:

21 (A) He or she has been receiving, but is no longer eligible for,  
22 benefits under the Healthy Families Program.

23 (B) He or she appears to be income eligible for full-scope  
24 Medi-Cal benefits without a share of cost.

25 (2) The benefits under this chapter shall begin on the first day  
26 of the month following the last day of the person's eligibility for  
27 benefits under the Healthy Families Program *and shall continue*  
28 *until an eligibility determination is made, at which point the*  
29 *person shall be either enrolled in Medi-Cal with no interruption*  
30 *in coverage or the Seamless Bridge benefits shall be terminated*  
31 *in accordance with due process requirements.*

32 (c) The scope of Medi-Cal benefits provided under this  
33 chapter shall be identical to the scope of benefits that the person  
34 was receiving under the Healthy Families Program.

35 (d) The board shall not require the payment of premiums by  
36 persons receiving bridge benefits under this section.

37 (e) This section shall become inoperative if an unappealable  
38 court decision or judgment determines that either of the  
39 following apply:

1 (1) The provisions of this section are unconstitutional under  
2 the United States Constitution or the California Constitution.

3 (2) The provisions of this section do not comply with the State  
4 Children's Health Insurance Program, as set forth in Title XXI of  
5 the federal Social Security Act.

6 *(f) Effective July 1, 2006, the department, the counties, and the*  
7 *board may transfer a family's case file and other eligibility*  
8 *information solely for the purposes of transferring a child's*  
9 *eligibility between Medi-Cal and Healthy Families, without*  
10 *seeking the family's consent.*

11 SEC. 12. Section 12693.983 is added to the Insurance Code,  
12 to read:

13 12693.983. The board shall adopt regulations to implement  
14 the Medi-Cal to Healthy Families Accelerated Enrollment  
15 program established under Section 14011.65 of the Welfare and  
16 Institutions Code. If the board determines that one or more  
17 amendments to the State Child Health Plan are necessary to  
18 ensure full federal financial participation in the provisions of the  
19 program, the board shall prepare and submit requests for the plan  
20 amendments to the federal government.

21 *SEC. 12.5. Section 12693.984 is added to the Insurance*  
22 *Code, to read:*

23 12693.984. *(a) The board shall strictly protect and safeguard*  
24 *the privacy and confidentiality of applicants and enrollees of the*  
25 *Healthy Families Program.*

26 *(b) Information and documentation about an applicant or*  
27 *enrollee shall not be used, shared, or disclosed except for the*  
28 *following purposes:*

29 *(1) Determining eligibility for Healthy Families.*

30 *(2) Making referrals to Medi-Cal.*

31 *(3) Activities strictly connected to Healthy Families Program*  
32 *administration.*

33 *(c) Disclosure of, or access to, information concerning*  
34 *Healthy Families applicants or enrollees shall be restricted as*  
35 *provided in this section to persons or agency representatives who*  
36 *are subject to standards of privacy and confidentiality that are*  
37 *no less protective than those required by this section.*

38 *(d) This section shall apply to all requests to the Healthy*  
39 *Families Program for information from outside sources,*

1 *including but not limited to, governmental bodies, the courts, or*  
 2 *law enforcement officials.*

3 SEC. 13. Chapter 17 (commencing with Section 12693.99) is  
 4 added to Part 6.2 of Division 2 of the Insurance Code, to read:

5  
 6 CHAPTER 17. CALIFORNIA HEALTHY KIDS INSURANCE  
 7 PROGRAM  
 8

9 12693.99. (a) The California Healthy Kids Insurance  
 10 Program is hereby created. The Managed Risk Medical Insurance  
 11 Board and the State Department of Health Services shall ~~jointly~~  
 12 ~~administer~~ *continue to administer the Healthy Families and*  
 13 *Medi-Cal programs, respectively, in accordance with all existing*  
 14 *requirements. The board and department shall coordinate their*  
 15 *respective administration of each program under a joint*  
 16 *partnership entitled the California Healthy Kids Insurance*  
 17 *Program that provides health care coverage for all eligible*  
 18 *children, which shall consist of and incorporate by this reference*  
 19 *all of the requirements, protections, and provisions of the*  
 20 *California Healthy Families Insurance Program (Part 6.2*  
 21 *(commencing with Section 12693) of Division 2 of the Insurance*  
 22 *Code) and of the Medi-Cal program (Chapter 7 (commencing*  
 23 *with Section 14000) of Part 3 of Division 9 of the Welfare and*  
 24 *Institutions Code) applicable to the poverty level Medi-Cal*  
 25 *program for children ages 0 to 18 years, as modified by the*  
 26 *provisions of this chapter. The Healthy Families and Medi-Cal*  
 27 *programs shall provide health insurance to children who qualify*  
 28 *for the California Healthy Kids Insurance Program under this*  
 29 *chapter. The relevant unless otherwise provided by this chapter.*  
 30 *The provisions of the Medi-Cal program (Chapter 7*  
 31 *(commencing with Section 14000) of Part 3 of Division 9 of the*  
 32 *Welfare and Institutions Code), including, but not limited to, the*  
 33 *confidentiality and privacy protections set forth in Section*  
 34 *14100.2 of the Welfare and Institutions Code, apply to all*  
 35 *children applying for and enrolled in the California Healthy Kids*  
 36 *Insurance Program.*

37 (b) The administering agencies shall operate the California  
 38 Healthy Kids Insurance Program in a coordinated and seamless  
 39 manner with respect to the persons intended to be covered. Both  
 40 administering agencies shall coordinate enrollment, renewal,

1 eligibility, and outreach, and shall assign clear lines of  
2 responsibility for all associated agency activities with  
3 enforceable accountability. A child enrolled in either the Healthy  
4 Families Program or the Medi-Cal program shall be deemed to  
5 be enrolled in the California Healthy Kids Insurance Program. It  
6 is the intent of the Legislature that from the child's perspective  
7 there shall only be a single program, even if the details are  
8 handled by two programs, agencies, and funding sources.

9 (c) As used in this chapter, "California Healthy Kids Insurance  
10 Program" shall be deemed to refer jointly to the Healthy Families  
11 Program ~~and the portion for children under 19 years of age and~~  
12 ~~the portions of the Medi-Cal program that provides health care~~  
13 ~~coverage to children 18 years of age or younger persons under 19~~  
14 ~~years of age~~, and "administering agencies" shall be deemed to  
15 refer to the board or department, as applicable. Implementation  
16 of duties and responsibilities of the California Healthy Kids  
17 Insurance Program shall be the responsibility of the board, to the  
18 extent that the duties and responsibilities relate to the Healthy  
19 Families Program, or the State Department of Health Services, to  
20 the extent that the duties and responsibilities relate to the  
21 Medi-Cal program. Implementation of duties and responsibilities  
22 that require the participation of both agencies shall be done  
23 jointly, as coordinated between them by agreement.

24 12693.9901. (a) The California Healthy Kids Expert Panel is  
25 hereby established to guide the board and the State Department  
26 of Health Services in the design and implementation of the  
27 California Healthy Kids Insurance Program and to identify issues  
28 and solutions to ensure efficient and effective ongoing  
29 operations, particularly relating to the coordination among  
30 Medi-Cal and Healthy Families programs and local outreach and  
31 enrollment partners.

32 (b) The California Healthy Kids Expert Panel shall advise the  
33 board and the State Department of Health Services on the  
34 California Healthy Kids Insurance Program. The panel shall  
35 consist of 15 members with expertise in children's health *and*  
36 *health insurance*, and shall include representatives from health  
37 care providers, *including physicians and public hospitals*, health  
38 plans, consumer advocates, including those representing specific  
39 populations, local children's health initiatives, school and  
40 business communities, county agencies, and other stakeholders.

1 The Senate Committee on Rules, the Speaker of the Assembly,  
2 and the Governor shall each appoint five members to the panel.  
3 The panel shall meet at least quarterly and shall reside in the  
4 State Department of Health Services.

5 (c) The Managed Risk Medical Insurance Board shall be  
6 increased by one member, who shall be a member of the  
7 California Healthy Kids Expert Panel, selected by the members  
8 of the panel.

9 12693.9902. The California Healthy Kids Expert Panel shall  
10 evaluate and make recommendations to ensure smooth and  
11 effective enrollment processes in the California Healthy Kids  
12 Insurance Program, including, but not limited to, the Single Point  
13 of Entry, Healthy Families Program and county Medi-Cal  
14 eligibility determinations, and local enrollment activities.  
15 Recommendations shall emphasize improvements and standards  
16 to ensure that children can easily enroll in a timely manner,  
17 enrollment determinations are accurate with a clear and timely  
18 appeals process, enrollment processes are well coordinated  
19 between local, county, and centralized systems, and children are  
20 able to retain their coverage. The governing agencies shall  
21 review, respond to, and consider implementation of the panel's  
22 recommendations. *If either or both governing agencies reject any*  
23 *of the panel's recommendations, the rejecting agency shall*  
24 *submit a report to the panel and to the Legislature outlining the*  
25 *reasons it will not implement the panel's recommendations.*

26 12693.9906. In determining eligibility for the California  
27 Healthy Kids Insurance Program, the department and the board  
28 shall request documentation and shall verify the information only  
29 to the extent necessary to determine eligibility and only to the  
30 extent required by federal law. *Every child enrolled in California*  
31 *Healthy Kids Insurance Program shall continue to receive*  
32 *benefits until proven ineligible or unless there is a failure to pay*  
33 *premiums where applicable.*

34 12693.9908. (a) From funds available for that purpose, the  
35 ~~administering agencies board~~, *in consultation with the State*  
36 *Department of Health Services*, shall award local enrollment  
37 investment grants for local strategies involving California  
38 Healthy Kids Insurance Program enrollment, retention, and  
39 utilization of health care. Grants shall be made available to  
40 existing and new countywide or regional children's health

1 initiative coalitions that include an array of local organizations  
2 and agencies, such as First 5 California Commissions, health  
3 plans and county organized health systems, schools, child care  
4 providers, community-based and *nonprofit* faith-based  
5 organizations (*subject to Section 4 of Article I and Section 5 of*  
6 *Article XVI of the California Constitution, state and federal civil*  
7 *rights law, and the First Amendment to the United States*  
8 *Constitution*), clinics, health care providers, local unions, local  
9 businesses, and county social service and health agencies. For  
10 purposes of applying for and receiving these grants, the  
11 children's health initiative coalitions shall designate a fiscal  
12 agent. Local and regional community-based organizations shall  
13 also be eligible for these grants, particularly in regions where  
14 comprehensive coalitions are not established. Supplemental grant  
15 amounts shall be available for countywide coalitions or regions  
16 that contribute local funding for enrollment, retention, and access  
17 strategies through the coalition.

18 (b) The California Healthy Kids Expert Panel shall develop  
19 recommendations to the California Healthy Kids Insurance  
20 Program for the specific objectives, criteria, and structure of the  
21 local enrollment investment grants, with the principal goals of  
22 promoting local innovations and strategies for increasing  
23 children's health insurance enrollment and retention and health  
24 care access. The governing agencies of the California Healthy  
25 Kids Insurance Program shall review, respond to, and consider  
26 implementation of the panel's recommendations.

27 (c) Each local children's health initiative coalition or  
28 organization awarded a grant shall submit a plan every other year  
29 to the board of its proposed strategies to promote outreach,  
30 enrollment, retention in health insurance, and access to health  
31 care. These activities may include, but are not limited to, the  
32 following: one application technology, application assistance  
33 training and certification, a system for administering enrollment  
34 fees to application assistants, grants to community-based  
35 organizations for enrollment and retention assistance, application  
36 assistance at schools, implementing "express lane" strategies  
37 through school lunch, food stamps, WIC, and other programs,  
38 health care access education, coordinated retention strategies, "no  
39 wrong door" strategies, and improvement to data collection and  
40 reporting systems.

(d) Local children’s health initiative coalitions shall submit a plan for an interim evaluation after one year and conduct a full evaluation after two years. The evaluation shall include outcome measures such as the number of children enrolled in health insurance, the percentage of children retained after one year, if available, the number of children receiving *enrollment* assistance who were denied coverage and the reasons why, and documented performance improvements in the number of children accessing and remaining in health care coverage. The evaluation should document problems children face in enrolling, staying enrolled, or accessing care, with recommendations for improving the California Healthy Kids Insurance Program.

12693.9909. (a) The California Healthy Kids Insurance Program shall enable local children’s health initiatives to create their own premium hardship funds or sponsorship programs to help children in their region to pay required premiums for enrollment in the California Healthy Kids Insurance Program. The governing agencies shall develop a mechanism for communicating with local children’s health initiative coalitions, with the families consent, about children’s premium payments.

(b) The California Healthy Kids Insurance Program shall enable counties and regions of multiple counties to have the option to buy or partially subsidize Healthy Families Program coverage for children with family incomes above 300 percent of the federal poverty level and to seek federal financial participation, to the extent available.

12693.9910. The California Healthy Kids Insurance Program shall accept, review, and approve within broad standards local children’s health initiative demonstration projects to test new innovations in enrollment technology, integrated insurance programs, enrollment and retention processes and strategies, and voluntary employer coverage participation strategies.

12693.9911. The California Healthy Kids Insurance Program, in conjunction with local children’s health initiatives, shall develop strategies for partnerships between the program and the local children’s health initiatives to help children retain their California Healthy Kids Insurance Program health care coverage, including processes for sharing address updates and for notifying local children’s health initiatives when children in their area are at risk of losing coverage.

1     ~~12693.9912. (a) The California Healthy Kids Insurance~~  
2 ~~Program, in consultation with the California Healthy Kids Expert~~  
3 ~~Panel, shall modify the Healthy Families and Medi-Cal~~  
4 ~~children's forms and processes as necessary to seek family~~  
5 ~~consent to transfer information among the Medi-Cal and Healthy~~  
6 ~~Families programs.~~

7     ~~(b)~~ The California Healthy Kids Insurance Program shall  
8 establish, in consultation with the California Healthy Kids Expert  
9 Panel and other stakeholders, simplified annual renewal forms  
10 for children enrolled in the Healthy Families Program and for  
11 ~~children and their families~~ *individuals* enrolled in the Medi-Cal  
12 program, including forms prepopulated with the ~~child's~~  
13 eligibility information and a simple check off list for ~~families~~  
14 *individuals* to identify whether each eligibility information item  
15 remains correct. The renewal form shall request *children and*  
16 families to provide and certify with their signature any changes  
17 to the prepopulated eligibility information form. The California  
18 Healthy Kids Insurance Program shall establish a process to  
19 allow families to renew their child's coverage by telephone.

20     ~~(e)~~  
21     ~~(b)~~ The California Healthy Kids Insurance Program shall, in  
22 consultation with the California Healthy Kids Expert Panel,  
23 develop strategies to notify families of their child's renewal date  
24 including notifications on regular communications such as  
25 premium payment statements or on insurance cards.

26     ~~(d)~~  
27     ~~(c)~~ The California Healthy Kids Insurance Program shall  
28 ~~establish a mechanism to implement federal Medicaid law and~~  
29 ~~state rules for the Medi-Cal program and the Healthy Families~~  
30 ~~Program with regard to educating families about the opportunity~~  
31 ~~educate families about the legal right to transfer to lower~~  
32 ~~premium levels or to no-cost Medi-Cal if the child's income~~  
33 ~~eligibility changes, and implement provisions of existing law that~~  
34 ~~provide that a child should be enrolled in the child's family~~  
35 ~~income decreases and shall also provide that a child shall be~~  
36 ~~enrolled in the most beneficial program for which the child is~~  
37 ~~eligible. The California Healthy Kids Insurance Program shall~~  
38 ~~use the seamless bridge coverage programs in Sections 12693.98~~  
39 ~~and 12693.981 to transfer children who identify themselves as~~  
40 ~~being are eligible for another health insurance category, such as~~



1 a lower premium tier under Healthy Families or no-cost  
2 Medi-Cal, into ~~another insurance~~ *the appropriate* program.  
3 Lower premiums or ~~no premium eligibility tiers~~ *no-cost coverage*  
4 shall begin at the point the child requests the ~~determination~~.

5 ~~(e) The determination. No child shall be terminated from the~~  
6 *California Healthy Kids Insurance Program, once that child is*  
7 *enrolled, until the board or the Medi-Cal agency reviews the*  
8 *child's eligibility for Medi-Cal and Healthy Families under all*  
9 *possible grounds and completes an eligibility redetermination for*  
10 *all Medi-Cal and Healthy Families programs, following the*  
11 *procedures in Section 14005.37 of the Welfare and Institutions*  
12 *Code.*

13 ~~(d) To assist families in learning about available choices and~~  
14 ~~to coordinate plans and providers among all family members~~  
15 ~~with different sources of health insurance coverage, the~~  
16 ~~California Healthy Kids Insurance Program shall offer an online~~  
17 ~~Medi-Cal health plan/health care arrangement selection system~~  
18 ~~coordinated with the Healthy Families Program health plan~~  
19 ~~selection system, in consultation with the California Healthy~~  
20 ~~Kids Expert Panel and other interested counties, consumer~~  
21 ~~advocates, and stakeholders provide information about Medi-Cal~~  
22 ~~and Healthy Families plan and provider options. The program~~  
23 ~~shall develop and implement a coordinated listing of Medi-Cal~~  
24 ~~program health plans, county organized health systems,~~  
25 ~~fee-for-service arrangements for children, and Healthy Families~~  
26 ~~Program health plans make available online a coordinated listing~~  
27 ~~of health plans and providers for the Healthy Families Program~~  
28 ~~and all Medi-Cal managed care models and Medi-Cal~~  
29 ~~fee-for-service providers for children. This coordinated listing~~  
30 ~~shall include provider networks and a provider locator system to~~  
31 ~~identify for families under each program which plans include~~  
32 ~~their current or preferred providers. The coordinated listing shall~~  
33 ~~be updated regularly and shall be available through the California~~  
34 ~~Healthy Kids Insurance Program Web site and the Healthy~~  
35 ~~Families Program online provider locator.~~

36 12693.9913. ~~All children who reside in this state, who intend~~  
37 ~~to continue to reside in this state, and who meet the age, income,~~  
38 ~~and other categorical eligibility requirements of either the~~  
39 ~~Healthy Families or Medi-Cal program shall be eligible for~~  
40 ~~coverage under the California Healthy Kids Insurance Program,~~

1 ~~including those children for whom federal financial participation~~  
2 ~~is not available under Title XXI of the Social Security Act (42~~  
3 ~~U.S.C. Sec. 1396 et seq.) or under Title XIX of the Social~~  
4 ~~Security Act (42 U.S.C. Sec. 1397aa et seq.) for full-scope~~  
5 ~~coverage.~~ (a) *Notwithstanding any other provision of law, all*  
6 *children under 19 years of age who meet the state residency*  
7 *requirements of the Medi-Cal or the Healthy Families Program*  
8 *shall be eligible for the California Healthy Kids Insurance*  
9 *Program if they either:*

10 *(1) Live in families with countable household income at or*  
11 *below 300 percent of the federal poverty level.*

12 *(2) Meet the income and resource requirements of Section*  
13 *14005.7 or 14005.30 of the Welfare and Institutions Code.*

14 *(b) Children in families whose household income would*  
15 *render them ineligible for no-cost Medi-Cal or Medicare, and*  
16 *who are in compliance with Sections 12693.71 and 12693.72,*  
17 *shall be enrolled in the Healthy Families Program and shall also*  
18 *be eligible for Medi-Cal with a share of cost in accordance with*  
19 *Section 14005.7 of the Welfare and Institutions Code. Other*  
20 *children described in this section shall be enrolled in no-cost*  
21 *Medi-Cal.*

22 12693.9914. Nothing in this chapter shall be construed to  
23 authorize denial of medical assistance under the Medi-Cal  
24 program (Chapter 7 (commencing with Section 14000) of Part 3  
25 of Division 9 of the Welfare and Institutions Code) to a child  
26 who, without the application of this chapter would qualify for  
27 such assistance or to relieve the California Healthy Kids  
28 Insurance Program of the obligation to determine eligibility on  
29 all available other grounds ~~for a child found to be ineligible for~~  
30 ~~the Medi-Cal program as part of the California Healthy Kids~~  
31 ~~Insurance Program under this chapter.~~

32 12693.9915. (a) (1) During the planning and development  
33 phase before the statewide California Healthy Kids Insurance  
34 Program is implemented, the local children's health insurance  
35 programs and local children's health initiative coalitions shall  
36 continue to highlight best practices that will guide the  
37 development and implementation of the statewide California  
38 Healthy Kids Insurance Program. During this planning and  
39 development phase, the administering agencies and Secretary of  
40 the California Health and Human Services Agency shall

coordinate local children's health insurance programs and local children's health initiative coalitions with state and federally funded programs such as the emergency Medi-Cal program and the Child Health Disability and Prevention program *and CHDP Gateway program* so that local funds do not replace but augment existing state and federally funded programs and services. Such coordination shall begin upon enactment.

~~The~~

(2) *The* local children's health insurance programs shall pilot financing options that seek to leverage state and federal funding and help shape the statewide California Healthy Kids Insurance Program financing strategy. If funds are available during this planning and development phase, the state may provide local children's health insurance programs that meet ~~certain~~ eligibility, benefit, ~~and cost sharing standards~~ *cost sharing and quality assurance standards, established by the board in consultation with the department and the California Healthy Kids Expert Panel*, with funds to match local funding to cover premiums based on a percentage of the Healthy Families Community Provider Plan rate.

~~During~~

(b) (1) *During* the transition phase, which is the period after implementation of the California Healthy Kids Insurance Program has begun but before the program is fully implemented, ~~the state board, in consultation with the State Department of Health Services and the California Healthy Kids Expert Panel,~~ shall approve local pilot programs proposed and created by local children's health insurance programs and local children's health initiative coalitions that have local financing to support either a local children's coverage expansion program or a children's coverage expansion through the Healthy Families Program or the Medi-Cal program. These local pilot programs would qualify for phased in state funds, subject to availability, and for federal funds, if applicable, to match local funding. The pilot programs that are based on local children's coverage expansion programs shall meet ~~certain standards~~ *standards established by the board in consultation with the department and the California Healthy Kids Expert Panel*, including eligibility, comprehensive benefits ~~and affordable cost sharing.~~

~~Local,~~ *affordable cost sharing, and quality assurance.*

1 (2) *Local* pilot programs shall model features such as  
2 simplified, automated, and coordinated enrollment and retention  
3 processes, integrated safety net or local providers, employer  
4 participation opportunities, and leveraged funding for children's  
5 coverage programs.

6 ~~In addition, local~~

7 (3) *Local* programs with local funding may pilot broader  
8 coverage expansions, such as young adults and higher income  
9 children and adults. ~~The~~

10 (c) *The* pilot programs shall be tracked and independently  
11 evaluated with private funding to identify best practices for  
12 implementation in both urban and rural areas. The administering  
13 agencies in consultation with the California Healthy Kids Expert  
14 Panel shall consider the pilot project findings in making  
15 recommendations on implementation features of the California  
16 Healthy Kids Insurance Program. ~~Once~~

17 (d) *Once* the California Healthy Kids Insurance Program is  
18 operational statewide, there shall be a period of time during  
19 which local pilot programs, subject to specified criteria, will  
20 receive state matching funds while transitioning to the statewide  
21 program. Children enrolled in or eligible for local children's  
22 health programs shall be eligible for either the Medi-Cal program  
23 or the Healthy Families Program, as authorized in this chapter.  
24 ~~The~~

25 (e) (1) *The* transition shall provide an automatic rollover for  
26 children enrolled in the local children's health insurance  
27 programs into their existing health plan under the Medi-Cal  
28 program or the Healthy Families Program, if the health plan is a  
29 participating plan in the program under which the child qualifies.  
30 ~~For~~

31 (2) *For* good cause, or upon the child's next annual renewal,  
32 children may switch plans or otherwise remain in their existing  
33 plan. ~~After~~

34 (f) *After* the transition period and once the California Healthy  
35 Kids Insurance Program is fully operational statewide, counties  
36 have the option to support coverage under the California Healthy  
37 Kids Insurance Program, but county funding shall not be required  
38 to support children's coverage under the California Healthy Kids  
39 Insurance Program.

1 12693.9916. Notwithstanding any other provision of law, this  
 2 chapter ~~may only~~ *shall* be implemented to the extent that funds  
 3 are appropriated for purposes of the chapter in the annual Budget  
 4 Act or in another statute. *To the extent that funds are*  
 5 *appropriated for only a portion of the provisions enacted*  
 6 *pursuant to this chapter, the board shall implement those*  
 7 *provisions for which funds are appropriated.*

8 SEC. 14. (a) It is the intent of the Legislature to ~~enact~~  
 9 ~~legislation to~~ authorize the California Healthy Kids Insurance  
 10 Program to develop health care coverage options for persons of  
 11 the ages of 19 and 20 years who are ineligible for the Healthy  
 12 Families or Medi-Cal programs. These coverage options may  
 13 include statewide or local demonstration programs, and may  
 14 consist of an option for the person (or a parent on the person's  
 15 behalf) to purchase California Healthy Kids Insurance Program  
 16 coverage at full premium cost, or an option for the person to  
 17 maintain coverage through continuation coverage when coverage  
 18 would otherwise terminate due to the person's age.

19 (b) *It is the intent of the Legislature to expand children's*  
 20 *health care coverage by building on the shared financial*  
 21 *responsibility of individuals, employers, and the government to*  
 22 *support that coverage.*

23 (c) It is the intent of the Legislature to develop strategies to  
 24 promote and support voluntary employer participation in  
 25 children's health care coverage, relative to children of  
 26 employees. These employer participation options shall be  
 27 designed to offer health insurance to children through  
 28 arrangements that are affordable and efficient for employers and  
 29 families. Particular attention shall be paid to how new  
 30 opportunities for employer participation would interact with  
 31 current practices and patterns in employer sponsored dependent  
 32 coverage.

33 ~~(e)~~

34 (d) It is the intent of the Legislature to implement the  
 35 California Healthy Kids Insurance Program over several years to  
 36 provide adequate time to develop the statewide policies and  
 37 infrastructure, to transition effectively from local children's  
 38 health insurance efforts to a statewide program, and to phase in  
 39 implementation consistent with available resources.

40 ~~(d)~~

1 (e) It is the intent of the Legislature that in the first two years  
2 of implementation, the California Healthy Kids Expert Panel will  
3 be established, program policies and systems will be developed  
4 and implemented, and pilot programs will begin, subject to  
5 available resources.

6 ~~(e)~~

7 (f) It is the intent of the Legislature that in the third year of  
8 implementation, all enrollment innovations and changes should  
9 be operational and California Healthy Kids Insurance Program  
10 enrollment will be open for newly eligible children. Newly  
11 eligible children may be phased in according to age consistent  
12 with available resources.

13 ~~(f) It is the intent of the Legislature that financing for the~~  
14 ~~California Healthy Kids Insurance Program will be derived from~~  
15 ~~any of the following sources:~~

16 ~~(1) Currently available federal matching funds for children~~  
17 ~~eligible for but not enrolled in the Medi-Cal and Healthy~~  
18 ~~Families programs.~~

19 ~~(2) Available federal matching dollars for children with a~~  
20 ~~family income of more than 250 percent of the federal poverty~~  
21 ~~level.~~

22 ~~(3) Family contributions toward premiums.~~

23 ~~(4) Contributions from employers who chose to participate in~~  
24 ~~the California Healthy Kids Insurance Program.~~

25 ~~(5) During the transition period while the California Healthy~~  
26 ~~Kids Insurance Program is being developed and implemented,~~  
27 ~~funds from local children's health initiatives with pilot projects to~~  
28 ~~operate local children's health insurance programs or to buy into~~  
29 ~~the Medi-Cal or Healthy Families Program.~~

30 (g) The state already provides some coverage and pays for  
31 services for uninsured children through, *for example programs*  
32 *such as, but not limited to, CCS, FamilyPACT, Medi-Cal Minor*  
33 *Consent for pregnancy-related care, substance abuse and*  
34 *alcohol and drug treatment,* the Child Health and Disability  
35 Prevention (CHDP) Program, the CHDP Gateway Program,  
36 emergency Medi-Cal coverage, and share-of-cost Medi-Cal  
37 coverage. It is the intent of the Legislature that these programs be  
38 maintained under the California Healthy Kids Insurance Program  
39 as well as safety net financing. For the purposes of financing the  
40 California Healthy Kids Insurance Program, the costs attributable

1 to the California Healthy Kids Insurance Program coverage are  
2 those additional costs beyond the funding for these existing  
3 programs.

4 SEC. 15. Section 14005.23 of the Welfare and Institutions  
5 Code is amended to read:

6 14005.23. (a) To the extent federal financial participation is  
7 available, the department shall, when determining eligibility for  
8 children under Section 1396a(l)(1)(D) of Title 42 of the United  
9 States Code, designate a birth date by which all children who  
10 have not attained the age of 19 years will meet the age  
11 requirement of Section 1396a(l)(1)(D) of Title 42 of the United  
12 States Code.

13 (b) Commencing July 1, 2006, to the extent federal financial  
14 participation is available, the department shall apply the ~~more~~  
15 ~~liberal~~ *less restrictive* income deduction described in Section  
16 1396a(r) of Title 42 of the United States Code when determining  
17 eligibility for the children identified in subdivision (a). The  
18 amount of this deduction shall be the difference between 133  
19 percent and 100 percent of the federal poverty level applicable to  
20 the size of the family.

21 SEC. 16. Section 14005.41 of the Welfare and Institutions  
22 Code is amended to read:

23 14005.41. (a) Notwithstanding any other provision of law,  
24 the department shall deem to have met the income documentation  
25 requirements for participation in the Medi-Cal program, without  
26 a share of cost, any child who is less than six years of age and  
27 who has been determined to be eligible for free meals through a  
28 federally funded program using the National School Lunch  
29 Program application provided for pursuant to Chapter 13  
30 (commencing with Section 1751) of Title 42 of the United States  
31 Code.

32 (b) Notwithstanding any other provision of law, with regard to  
33 any child who is enrolled in and attending public school in the  
34 State of California, the department shall accept documentation of  
35 enrollment for free meals under the National School Lunch  
36 Program as sufficient documentation of California residency for  
37 that child for the purposes of the Medi-Cal program.

38 (c) (1) (A) Notwithstanding any other provision of law, each  
39 county shall participate in a statewide pilot project to determine  
40 Medi-Cal program eligibility for any child under six years of age

1 and currently enrolled in school in the State of California who is  
2 eligible for free meals under the National School Lunch Program  
3 upon receipt of proof of participation in the National School  
4 Lunch Program and a signed Medi-Cal application, which may  
5 be the supplemented application, described in subdivision (i).  
6 Counties shall notify the parent or guardian of the results of the  
7 eligibility determination.

8 (B) Notwithstanding any other provision of law, each county  
9 shall participate in a statewide pilot project to use the procedure  
10 described in this subdivision to determine Medi-Cal eligibility  
11 without a share of cost, and, if eligible, shall enroll in the  
12 Medi-Cal program, any child six years of age or older currently  
13 enrolled in school in the State of California who is eligible for  
14 free meals under the National School Lunch Program, upon  
15 receipt of proof of participation in the National School Lunch  
16 Program and a signed Medi-Cal application, which may be the  
17 supplemented application, described in subdivision (i). If the  
18 county determines from the supplemented application described  
19 in subdivision (i) that the child meets the eligibility requirements  
20 for participation in the Medi-Cal program, the county shall notify  
21 the parent or guardian that the child has been found eligible for  
22 the Medi-Cal program. If the county is unable to determine from  
23 the information on the application as described in subdivision (i)  
24 whether the child is eligible, the county shall contact the family  
25 to seek any additional information regarding income, household  
26 composition, or deductions that the department, in consultation  
27 with the county welfare departments, may determine to be  
28 necessary to complete the Medi-Cal application. If the county  
29 determines that the child does not meet the income eligibility  
30 requirements for participation in the full-scope no-cost Medi-Cal  
31 program, the county shall notify the parent or guardian of the  
32 determination and shall forward the school lunch application and  
33 any supplemental forms as described in subdivision (i) to the  
34 Healthy Families Program. If an applicant is determined to be  
35 ineligible for the full-scope no-cost Medi-Cal program and for  
36 the Healthy Families Program, the school lunch application and  
37 any supplemental forms as described in subdivision (i) shall be  
38 forwarded to a county- or local-sponsored health insurance  
39 program, as applicable, if the parent or guardian has provided  
40 consent. For purposes of this section, a county- or



1 local-sponsored health insurance program includes a county  
2 agency, a local initiative, a county-organized health system, or  
3 other local entity that provides health care coverage to children  
4 who do not qualify for the full-scope no-cost Medi-Cal program  
5 or for the Healthy Families Program.

6 (2) Each county shall ask the parent or guardian of each child  
7 identified in subparagraph (A) of paragraph (1) and the parent or  
8 guardian of each child whom the county determines to meet the  
9 income eligibility requirements for participation in the Medi-Cal  
10 program under subparagraph (B) of paragraph (1) to provide  
11 additional documentation as required by current law necessary  
12 for retention of eligibility in the Medi-Cal program. If a parent or  
13 guardian does not provide the documentation required for  
14 retention of full-scope Medi-Cal program eligibility, the county  
15 shall continue the child's enrollment in the Medi-Cal program,  
16 but only for the limited scope of Medi-Cal program benefits as  
17 described in Section 14007.5. If applicable, the county shall also  
18 forward the school lunch application and any supplemental forms  
19 as described in subdivision (i), for applicants who are determined  
20 to be ineligible for the full-scope no-cost Medi-Cal program and  
21 for the Healthy Families Program, to a county- or  
22 local-sponsored health insurance program if the parent or  
23 guardian has provided consent.

24 (d) Nothing in this section shall be construed as preventing the  
25 department from verifying eligibility through the Income  
26 Eligibility Verification System match mandated by Section 1137  
27 of the federal Social Security Act (42 U.S.C. Sec. 1320b-7) or  
28 from requesting additional information or documentation  
29 required by federal law.

30 (e) Each county shall include its cost of implementing this  
31 section in its annual Medi-Cal administrative budget requests  
32 submitted to the department.

33 (f) For purposes of this section, the Medi-Cal program  
34 application date shall be the date on which the school lunch  
35 application information is received by the local agency  
36 determining eligibility under the Medi-Cal program.

37 (g) (1) This section shall be implemented only if, and to the  
38 extent that, federal financial participation is available for the  
39 services provided and only for the period of time the free  
40 National School Lunch Program utilizes a gross income standard

1 at or below 133 percent of the federal poverty level. This section  
2 shall be implemented in a manner consistent with any federal  
3 approval.

4 (2) Notwithstanding paragraph (1), if the department  
5 determines that one or more state plan amendments are necessary  
6 to ensure full federal financial participation in the provisions of  
7 this section, the department shall prepare and submit requests for  
8 the state plan amendments to the federal government, after which  
9 this section shall not be implemented until the department  
10 receives approval of all necessary state plan amendments.

11 (h) (1) Notwithstanding subdivision (g), not later than March  
12 1, 2003, the department, in consultation with the State  
13 Department of Education and representatives of the school  
14 districts, county superintendents of schools, local agencies that  
15 administer the Medi-Cal program, consumer advocates, and other  
16 stakeholders, shall develop and distribute the policies and  
17 procedures, including any all-county letters, necessary to  
18 implement Section 49557.2 of the Education Code and this  
19 section.

20 (2) The policies and procedures required to be developed and  
21 distributed pursuant to subdivision (a) shall include, at a  
22 minimum, both of the following:

23 (A) Processes for the school districts, county superintendents  
24 of schools, and local agencies that administer the Medi-Cal  
25 program to use in forwarding and processing free school lunch  
26 application information pursuant to Section 49557.2 of the  
27 Education Code, and in following up with the applicants to  
28 obtain any necessary documentation required by federal law.

29 (B) Instructions for implementing the eligibility provisions of  
30 this chapter.

31 (3) The policies and procedures required to be developed  
32 pursuant to subdivision (a) shall specify all of the following:

33 (A) The information on the school lunch application may be  
34 used to initiate a Medi-Cal program application only when the  
35 applicant has provided his or her consent pursuant to Section  
36 49557.2 of the Education Code.

37 (B) The date of the Medi-Cal program application shall be the  
38 date on which the school lunch application was received by the  
39 local agency that determines eligibility under the Medi-Cal  
40 program.

1 (C) The county, in determining eligibility for the Medi-Cal  
2 program, shall request additional documentation only as required  
3 by federal law, and shall enroll any child whose parent or  
4 guardian does not provide the necessary documentation for  
5 full-scope benefits under the Medi-Cal program in the Medi-Cal  
6 program with limited scope benefits, as described in Section  
7 14007.5.

8 (i) To the extent federal financial participation is available,  
9 and to the extent administratively feasible, the department shall  
10 utilize the free National School Lunch Program application  
11 developed under Section 49557.2 of the Education Code, if  
12 supplemented as needed by simplified forms and disclosures,  
13 including Medi-Cal rights and responsibility notices and privacy  
14 notices, as a Medi-Cal application for children described in this  
15 section.

16 (j) Notwithstanding Chapter 3.5 (commencing with Section  
17 11340) of Part 1 of Division 3 of Title 2 of the Government  
18 Code, the department shall implement this section by means of  
19 all-county letters or similar instructions without taking regulatory  
20 action. Thereafter, the department shall adopt regulations in  
21 accordance with the requirements of Chapter 3.5 (commencing  
22 with Section 11340) of Part 1 of Division 3 of Title 2 of the  
23 Government Code.

24 (k) The department shall review the effectiveness of the  
25 statewide pilot project and make recommendations regarding  
26 appropriate ways to expand the use of the approaches contained  
27 in this section.

28 (l) In order to expedite health care coverage for children who  
29 have been determined eligible for free meals under the National  
30 School Lunch Program, the department, at its discretion, may  
31 choose to implement this section in whole or in part by  
32 exercising the option described in Section 1396r-1a of Title 42 of  
33 the United States Code to allow information provided on the  
34 National School Lunch Program application referred to, and  
35 supplemented as described, in paragraph (1) of subdivision (a) of  
36 Section 49557.2 of the Education Code to serve as a basis for a  
37 preliminary eligibility determination by a qualified entity  
38 designated by the department.

39 (m) County- and local-sponsored health program agencies are  
40 authorized to use the supplemental application described in

1 subdivision (i) and received pursuant to subdivision (c) to make  
2 an eligibility determination for those respective programs, and  
3 shall request additional information only as needed to complete  
4 the eligibility process.

5 (n) A county may, at its option, and with the consent of the  
6 parent or guardian as provided in paragraph (3) of subdivision (a)  
7 of Section 49557.2 of the Education Code, notify the school of  
8 the names and contact information of children who are in  
9 jeopardy of losing accelerated Medi-Cal coverage because a  
10 child's parent or guardian has not provided required followup  
11 information to the county. This notice shall be limited to the  
12 names and contact information, and shall not specify what  
13 information is missing. This shall be done for the sole purpose of  
14 enabling the school, at its option, to conduct outreach activities to  
15 encourage or assist those parents or guardians to complete and  
16 submit the required followup information.

17 (o) Effective July 1, 2006, any child currently enrolled in  
18 school who is eligible for reduced price meals under the National  
19 School Lunch Program shall be eligible for an accelerated  
20 determination for the California Healthy Kids Insurance Program  
21 and their school lunch application along with any supplemental  
22 forms and disclosures as described in subdivision (i) will be  
23 evaluated by the appropriate entity for ongoing medical  
24 assistance, upon the authorization of their parent or guardian,  
25 pursuant to this section and Section 49557.2 of the Education  
26 Code, and as otherwise provided by law.

27 (p) The procedures set out in this section shall be revised to  
28 allow an electronic application system that utilizes the real-time  
29 electronic connection to the state eligibility database developed  
30 pursuant to subdivision (b) of Section 14011.7 to allow children  
31 ~~to apply for~~, *with consent of their parent or guardian, to request*  
32 an accelerated determination for the California Healthy Kids  
33 Insurance Program, and *apply for* ongoing medical assistance  
34 pursuant to Section 14005.43 utilizing information provided for  
35 application to the National School Lunch Program. As part of  
36 this revision, the department, in consultation with the Managed  
37 Risk Medical Insurance Board, the California Healthy Kids  
38 Expert Panel, and other stakeholders shall develop a means for  
39 using the electronic application to allow students at provisional  
40 schools to apply for medical assistance.

(q) Notwithstanding any other provision of law, to the degree federal financial participation is available, individuals who are eligible for the National School Lunch Program on the basis of categorical eligibility shall not be required to submit any additional income information to establish income eligibility for an accelerated determination and ongoing medical assistance pursuant to this section. *Ex parte—procedures and other procedures in Section 14005.37* shall be used to make an eligibility determination, if necessary.

SEC. 17. Section 14005.43 is added to the Welfare and Institutions Code, to read:

14005.43. (a) The department, working in coordination with the Managed Risk Medical Insurance Board pursuant to Section 12693.415 of the Insurance Code, the California Healthy Kids Expert Panel, the governing agencies designated by Section 123290 of the Health and Safety Code, and Section 14005.41, and other stakeholders, shall develop an electronic application system that utilizes the real-time electronic connection to the state eligibility database developed pursuant to subdivision (b) of Section 14011.7 to be used by children applying for the California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) as provided for in Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the Health and Safety Code and the National School Lunch Program (NSLP) as provided pursuant to Chapter 13 (commencing with Section 1751) of Title 42 of the United States Code.

(1) Pursuant to this section, the electronic application shall be designed to allow children to ~~apply for~~ *request* an accelerated determination for the California Healthy Kids Insurance Program and *to apply for* ongoing medical assistance utilizing information provided for application to the WIC program or the NSLP or any other children's programs that may be added in the future, as appropriate, at the recommendation of the governing agencies of the California Healthy Kids Insurance Program, the California Healthy Kids Expert Panel, and other stakeholders. *All information and documentation provided for application to these programs shall be deemed reliable for purposes of determining eligibility for the California Healthy Kids Insurance Program.*

(2) Eligibility personnel at participating WIC and NSLP sites or another entity designated by the department ~~to make the~~ *shall be authorized to make an* accelerated determination *and* shall utilize the electronic application for medical assistance purposes only with the consent and authorization of the applicant's parent or guardian and shall safeguard the information shared pursuant to this section.

(3) The department shall utilize the electronic application developed pursuant to this section for an accelerated eligibility determination, and shall provide ongoing eligibility for medical assistance pending a final determination.

(4) The electronic application and the process for conducting the eligibility review and communicating with families shall be designed such that the initial submission of the electronic application using the information provided for application to WIC or NSLP is sufficient to authorize accelerated enrollment and to constitute a Medi-Cal application.

(5) All efforts shall be made to coordinate and streamline the enrollment process, pursuant to this section, with the express enrollment process set out in Section 14005.41 and in Section 49557.2 of the Education Code.

~~(6) The electronic application and any followup procedures that may be required for a final determination shall be as simple as permitted by federal law to the extent federal financial participation is available, and shall be periodically reevaluated by the governing agencies of the California Healthy Kids Insurance Program, the California Healthy Kids Expert Panel, and other stakeholders~~

*(6) The electronic application and any follow up procedures that may be required for a final determination of eligibility shall request information and documentation only to the extent required by federal law and shall be periodically reevaluated by the California Healthy Kids Expert Panel to enhance simplicity as changes to federal law may allow.*

(b) Notwithstanding any other provision of law *and irrespective of differences in financial eligibility standards and methodologies*, upon proof of current enrollment in ~~the California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) as provided in Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the~~

~~Health and Safety Code, the National School Lunch Program (NSLP) as provided pursuant to Chapter 13 (commencing with Section 1751) of Title 42 of the United States Code, the Food Stamp Program as provided pursuant to Chapter 51 (commencing with Section 2011) of Title 7 of the United States Code, or any other children's program that may be added in the future, as appropriate, at the recommendation of the California Healthy Kids Expert Panel and other stakeholders, the department shall accept an income eligibility determination made by the appropriate program agency as proof that the applicant meets the income guidelines of the California Healthy Kids Insurance Program and, irrespective of differences in financial eligibility standards and methodologies, shall rely on the poverty level finding of the other program agency. Nothing in this subdivision or in Chapter 17 (commencing with Section 12693.99) of Part 6.2 of Division 3 of the Insurance Code shall be construed to authorize denial of medical assistance to a child who, without the application of this subdivision, would qualify for such assistance or to relieve the California Healthy Kids Insurance Program of the obligation to determine eligibility on all available grounds for a child found to be ineligible under this subdivision.~~

~~(e) The department shall seek approval of any amendments to the state plan necessary to implement this section, for purposes of funding under Title XIX of the Social Security Act (42 U.S.C. Sec. 1396 et seq.). Notwithstanding any other law, this section shall be implemented only to the extent that federal financial participation is available and to the extent that federal financial participation supports coordination across the California Healthy Kids Insurance Program. *any of the programs listed in paragraphs (1) to (4), inclusive, the board and the department shall use the income eligibility determination made by the programs listed in those paragraphs to determine the child's income eligibility for the California Healthy Kids Insurance Program and to establish the child's percent of the federal poverty level.*~~

~~(1) The California Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) as provided for in Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the Health and Safety Code.~~

1     (2) *The National School Lunch Program (NSLP) as provided*  
2 *for pursuant to Chapter 13 (commencing with Section 1751) of*  
3 *Title 42 of the United States Code.*

4     (3) *The Food Stamp Program as provided for pursuant to*  
5 *Chapter 51 (commencing with Section 2011) of Title 7 of the*  
6 *United States Code.*

7     (4) *Any other children's program that may be added in the*  
8 *future.*

9     *The board and the department shall accept the children's*  
10 *program's documentation as reliable for purposes of satisfying*  
11 *any documentation requirements for the California Healthy Kids*  
12 *Insurance Program and, if the eligibility determination pursuant*  
13 *to this section does not establish eligibility for California Healthy*  
14 *Kids Insurance Program, for purposes of determining eligibility*  
15 *for medical assistance on all other available grounds.*

16     (c) *Nothing in this section shall be construed to authorize*  
17 *denial of benefits through the California Healthy Kids Insurance*  
18 *Program or other program to a child who, without the*  
19 *application of this section, would qualify for those benefits or to*  
20 *relieve the program of the obligation to determine eligibility on*  
21 *other grounds.*

22     SEC. 18. Section 14005.71 is added to the Welfare and  
23 Institutions Code, to read:

24     14005.71. ~~In determining eligibility—and redetermination,~~  
25 ~~including redetermination of eligibility,~~ for coverage under the  
26 Medi-Cal program for a child or for a family, the department  
27 shall request documentation and verify information provided  
28 ~~only to the extent necessary to determine eligibility and only to~~  
29 ~~the extent required under federal law.~~

30     SEC. 19. Section 14011.65 is added to the Welfare and  
31 Institutions Code, to read:

32     14011.65. (a) The Medi-Cal to Healthy Families Accelerated  
33 Enrollment Program is hereby established to provide any child  
34 who meets the criteria set forth in subdivision (b) with temporary  
35 health benefits while his or her application is forwarded to the  
36 Healthy Families Program established under Part 6.2  
37 (commencing with Section 12693) of Division 2 of the Insurance  
38 Code.

39     (b) (1) ~~Any child who meets the eligibility requirements of~~  
40 ~~Chapter 17 (commencing with Section 12693.99) of Part 6.2 of~~



~~Division 3 of the Insurance Code, for Healthy Families benefits~~  
under California Healthy Kids Insurance Program shall be  
eligible for temporary health benefits funded by Title XXI of the  
Social Security Act, where available, if the following  
requirements are met:

(A) The child, or his or her parent or guardian, either:

(i) Submits an application for the Medi-Cal program directly  
to the county.

(ii) Has submitted an application for the Medi-Cal program to  
single point of entry as defined in subdivision (e) of Section  
14011.6, and has been granted accelerated enrollment *into*  
*Medi-Cal* by the single point of entry pursuant to Section  
14011.6.

(B) The child is not receiving Medi-Cal benefits at the time  
that the application is submitted, with the exception of  
accelerated enrollment provided pursuant to Section 14011.6.

~~(C) The child, or his or her parent or guardian, gives or has  
given consent for the application to be forwarded to the Healthy  
Families Program.~~

(2) The *county shall grant the* temporary benefits provided  
under this section ~~shall be~~ effective on the date that the county  
finds that the child meets all of the criteria in paragraph (1) of  
subdivision (b).

The benefits shall terminate on the date that the child is  
discontinued from the state Medical Eligibility Data System due  
to his or her full enrollment in the Healthy Families Program or  
ineligibility for the Healthy Families Program.

(3) The temporary health benefits provided under this section  
shall be identical to the benefits provided to children who receive  
full-scope Medi-Cal benefits without a share of cost and shall  
only be made available through a Medi-Cal provider.

(c) The department, in consultation with the Managed Risk  
Medical Insurance Board, as the governing agencies for the  
California Healthy Kids Insurance Program, the California  
Healthy Kids Expert Panel, and representatives of the local  
agencies that administer the Medi-Cal program, consumer  
advocates, and other stakeholders, shall develop and distribute  
the policies and procedures, including any all-county letters,  
necessary to implement this section.

(d) If the department determines that one or more state plan amendments are necessary to ensure full federal financial participation in the provisions of this section, the department shall prepare and submit requests for the state plan amendments to the federal government.

(e) Each county shall include its cost of implementing this section in its annual Medi-Cal administrative budget request submitted to the department.

*SEC. 19.5. Section 14013.5 is added to the Welfare and Institutions Code, to read:*

*14013.5. (a) Effective July 1, 2007, the department shall implement the simplified, prepopulated annual renewal form described in subdivision (a) of Section 12693.9912 of the Insurance Code for all individuals and families enrolled in the Medi-Cal program.*

*(b) All children enrolled in the Medi-Cal program, as well as all adults who are enrolled in the Medi-Cal program pursuant to Section 14005.30, may certify with their signature any changes to the prepopulated eligibility information form.*

*SEC. 20. Section 18925 of the Welfare and Institutions Code is amended to read:*

*18925. (a) The State Department of Health Services, in conjunction with the State Department of Social Services, shall implement a simplified eligibility process as part of the Food Stamp Program to expedite Medi-Cal program and Healthy Families Program enrollment for Food Stamp Program recipients, including children and their eligible parents or caretaker relatives who are not enrolled in those programs.*

*(b) The State Department of Health Services shall develop a data list of children and their parents residing in eligible food stamp households who are not enrolled in the Medi-Cal program or the Healthy Families Program.*

*(c) The State Department of Health Services shall develop a notice informing individuals identified pursuant to subdivision (b) that they may be entitled to receive benefits under the Medi-Cal program or the Healthy Families Program.*

*(d) At the time of the food stamp household's annual recertification, the State Department of Health Services shall send the notice specified in subdivision (c) to the individuals identified in subdivision (b) with a return envelope addressed to*

1 the applicable county welfare department. The notice shall  
2 include a request for permission to use the information in the  
3 food stamp recipient's case file to make a determination of  
4 eligibility for the Medi-Cal program and the Healthy Families  
5 Program.

6 (e) The notice shall be written in culturally and linguistically  
7 appropriate language and at an appropriate literacy level. The  
8 notice shall include information on the Medi-Cal program and  
9 the Healthy Families Program, and a telephone number that food  
10 stamp recipients may call for additional information.

11 (f) To apply for medical assistance under the Medi-Cal  
12 program, the parent or guardian of the food stamp recipient shall  
13 sign, date, and return the notice requesting that an eligibility  
14 determination be made. Upon receipt of the notice, the county  
15 welfare department shall make an eligibility determination by  
16 utilizing the information in the food stamp recipient's case file or  
17 paper application. The Medi-Cal application date shall be the  
18 date the notice is received by the county welfare department. If  
19 the food stamp case file does not include sufficient information  
20 to establish Medi-Cal program eligibility, the county welfare  
21 department shall request, either orally or in writing, additional  
22 information from the food stamp recipient.

23 (g) If the food stamp recipient is determined to be eligible to  
24 participate in the Medi-Cal program with a share of cost, or is  
25 determined to be ineligible for Medi-Cal, information pertinent to  
26 the food stamp recipient's eligibility for the Healthy Families  
27 Program shall be forwarded by the county welfare department to  
28 the Healthy Families Program statewide administrator for  
29 immediate processing. If there is insufficient information to  
30 establish Healthy Families Program eligibility, the administrator  
31 shall request, either orally or in writing, additional information  
32 from the food stamp recipient.

33 (h) Counties shall include the cost of implementing this  
34 section in their annual administrative budget requests to the State  
35 Department of Health Services.

36 (i) This section shall be implemented on or after July 1, 2003,  
37 but only to the extent federal financial participation is available.

38 (j) The State Department of Health Services and the State  
39 Department of Social Services shall develop guidelines to  
40 identify the scope and allocation of responsibilities of state

1 agencies and counties under this section. Counties shall be  
2 required to adopt procedures and make appropriate programming  
3 changes to their automated welfare systems to accommodate  
4 simplification and streamlining pursuant to this section. Counties  
5 shall further be required to place a high priority on designing and  
6 implementing the programming to their automated welfare  
7 systems necessary to perform an ex parte, ~~automatic~~ *automated*  
8 Medi-Cal renewal using food stamp data, at recertification, and  
9 to align Medi-Cal and food stamp renewal dates to the most  
10 favorable date to the extent *the later date is* consistent with  
11 current law. *Designing and implementing these changes,*  
12 *including programming automated welfare systems, shall be a*  
13 *high priority for the department and counties and shall be*  
14 *operative by July 2006.*

15 SEC. 21. Notwithstanding any other provision of law, ~~the~~  
16 ~~Managed Risk Medical Insurance Board may implement this act~~  
17 *this act shall be implemented* only to the extent that funds are  
18 appropriated for the purposes of the act in the annual Budget Act  
19 or in another statute. *To the extent that funds are appropriated*  
20 *for only a portion of the changes enacted pursuant to this act,*  
21 *those changes for which funds are appropriated shall be*  
22 *implemented.*

23 SEC. 22. If the Commission on State Mandates determines  
24 that this act contains costs mandated by the state, reimbursement  
25 to local agencies and school districts for those costs shall be  
26 made pursuant to Part 7 (commencing with Section 17500) of  
27 Division 4 of Title 2 of the Government Code.